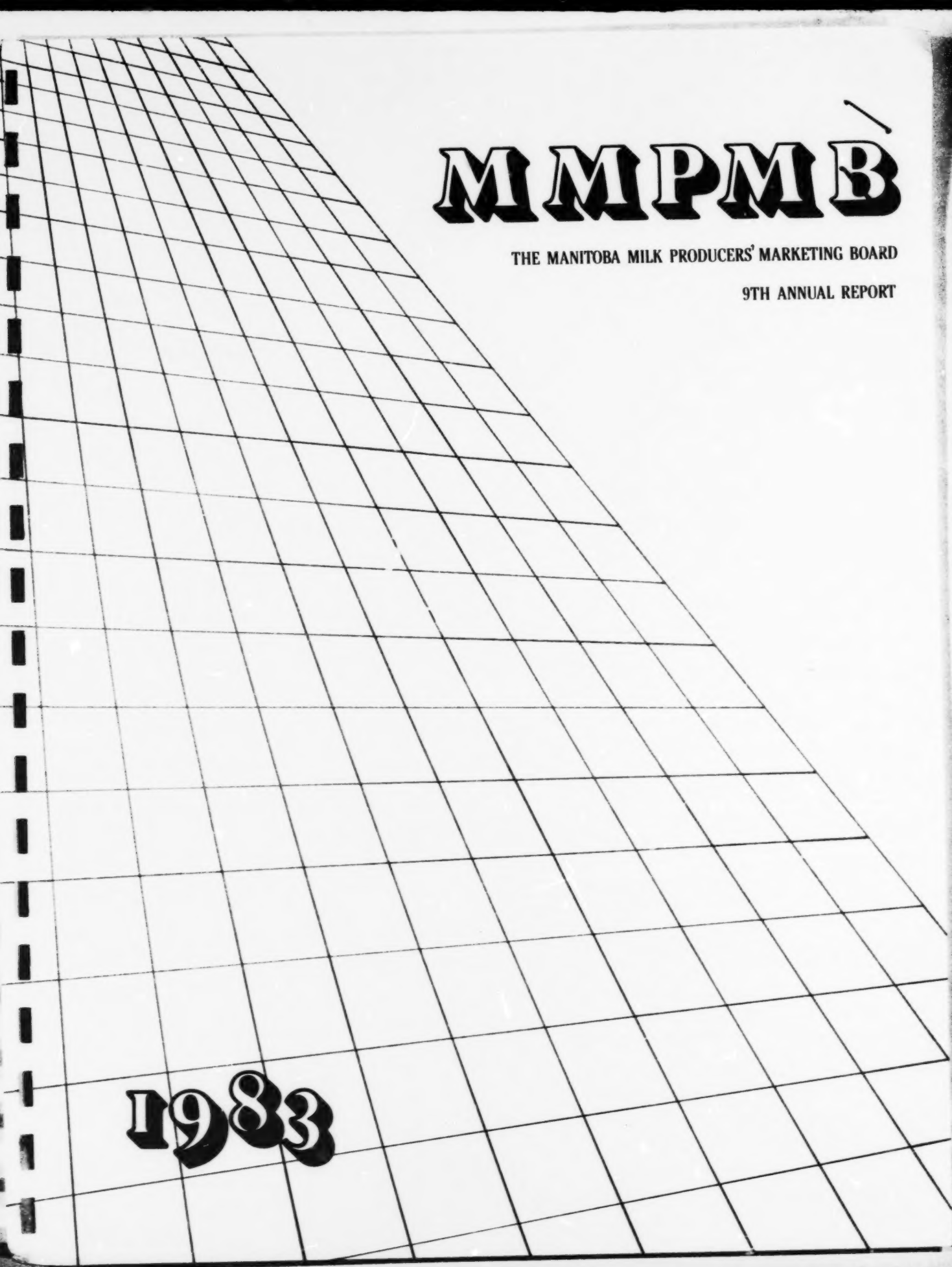

MMPMB

THE MANITOBA MILK PRODUCERS' MARKETING BOARD

9TH ANNUAL REPORT

1983

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INTRODUCTION

This Ninth Annual Report of The Manitoba Milk Producers' Marketing Board highlights the activities carried out by the Board during the fiscal year ending July 31, 1983.

This past year has, again, been an active one for the Board. An enlarged office floor space was necessary to accommodate additional dairy promotion materials and staff required to carry out an expansion in local dairy promotional activities as well as to implement the School Milk Program.

Efforts by the Canadian Milk Supply Management Committee and its Sub-Committee to finalize a new National Milk Supply Management Plan have continued throughout the year. The Board is represented on each of these committees as well as on a committee which has continued throughout the year to work toward the development of a revised milk recording program which will permit and encourage greater producer utilization of this important management tool.

The Board continued, during this past year to be represented on the Board of Directors of the Dairy Bureau of Canada, Dairy Farmers of Canada and the Manitoba Farm Bureau.

The above noted activities have been carried out in conjunction with the basic responsibility of the Board which is to control and regulate the marketing of milk in Manitoba.

BOARD MEMBERS

A. V. Rampton - Chairman
Dauphin

R. G. DeMeyer - Vice-Chairman
Oak Bluff

S. D. Hamilton - Executive Member
Glenboro

L. Balcaen - Member
La Broquerie

A. Goresky - Member
Stonewall

L. Braun - Member
Blumenort

J. van den Ham - Member
Brandon

C. Finnie - Member
Portage la Prairie

J. D. Wilton - Member
Carman

R. W. Scott - Secretary-Manager
Winnipeg

Nominations were called during October, 1982 for Board Members to represent Districts No. 2, 5 and 8. In Districts No. 2 and 8, Mr. J. van den Ham and Mr. L. Balcaen were re-elected respectively by acclamation. In District No. 5, Mr. A. Goresky was re-elected, having defeated Mrs. F. Krpan.

Since the terms of office of Board Members representing Districts No. 3 (C. Finnie), 6 (R. G. DeMeyer) and 9 (L. Braun) expire in December of this year, nominations have been called for these districts.

Membership of the Executive and other committees of the Board as established during the initial meeting of the Board following the annual meeting are detailed on the following page.

THE MANITOBA MILK PRODUCERS' MARKETING BOARD
STANDING ADVISORY COMMITTEES

EXECUTIVE: A. V. Rampton, R. G. DeMeyer, S. D. Hamilton

COST OF PRODUCTION
L. Balcaen
L. Braun
R. G. DeMeyer
A. V. Rampton

DAIRY PROMOTION
A. V. Rampton, Chairman
R. G. DeMeyer
A. Goresky
J. van den Ham

FINANCE
L. Balcaen
A. V. Rampton
J. D. Wilton

MARKET SHARE QUOTA ADVISORY
S. D. Hamilton
A. V. Rampton
R. W. Scott
G. H. MacKenzie
F. Kolesar

PROCESSOR RELATIONS
R. G. DeMeyer
C. Finnie
A. V. Rampton
J. van den Ham

QUOTA - SUPPLY & ALLOCATION
L. Braun
R. G. DeMeyer
C. Finnie
S. D. Hamilton
A. V. Rampton
J. van den Ham

TRANSPORTATION
A. V. Rampton, Chairman
A. Goresky
S. D. Hamilton
J. Mourant
G. Tetrault

AFFILIATED ORGANIZATIONS

CANADIAN MILK RECORDING BOARD
L. Balcaen

CANADIAN MILK SUPPLY MANAGEMENT COMMITTEE
S. D. Hamilton
A. V. Rampton
R. W. Scott

DAIRY BUREAU OF CANADA
A. V. Rampton, Manitoba Director

DAIRY FARMERS OF CANADA
L. Balcaen, Manitoba Director
A. V. Rampton, Manitoba Director

D.F.C. - NATIONAL CO-OPERATIVE DAIRY CATTLE BREEDING PROJECT
L. Balcaen

MANITOBA AGRICULTURAL EMPLOYMENT DEVELOPMENT
C. Finnie

MANITOBA DAIRY ASSOCIATION

MANITOBA FARM BUREAU
A. V. Rampton, Board Representative
J. D. Wilton, Board Representative

MANITOBA MILK RECORDING
L. Balcaen
R. G. DeMeyer

BOARD MEETINGS

During the twelve months ending July 31, 1983 a total of 26 regular meetings of the Board were convened. Since a number of the meetings held were of more than one day's duration, in all a total of 41 days were involved. Many additional days of Members' time were taken up in attendance at meetings of the various committees of the Board and of other organizations with which the Board is affiliated.

DISTRICT MEETINGS

During the month of April 1983, a total of 15 meetings in the various milk producing areas of the Province were held by the Board and attended by one or more Board Members. In addition, as stipulated in the Administration By-Law No. 1 of the Board, an Annual District Meeting was held during the period October 1st to the 20th, 1983 in each of the 9 electoral districts into which the Province is divided for Board purposes. The Notice of Meeting mailed to producers is reproduced on the following page.

TELEPHONE
788-6063

THE MANITOBA MILK PRODUCERS' MARKETING BOARD

#104 - 1580 DUBLIN AVENUE
WINNIPEG, CANADA
R3E 0L4

NOTICE OF ANNUAL DISTRICT MEETINGS - 1983

Annual District Meetings of The Manitoba Milk Producers' Marketing Board will be held at 8:00 P.M. on the dates listed below:-

District 1	Thursday October 20	DAUPHIN, Manitoba Manco Plant
District 2	Friday October 14	BRANDON, Manitoba Agricultural Extension Centre
District 3	Wednesday October 12	PORTAGE LA PRAIRIE, Manitoba West End Hall, 8th & Saskatchewan Avenue West
District 4	Tuesday October 18	BRUXELLES, Manitoba Bruxelles Hall
District 5	Monday October 17	TEULON, Manitoba Teulon-Rockwood Centennial Hall
District 6	Tuesday October 4	OAK BLUFF, Manitoba Oak Bluff Recreation Hall, Perimeter & #3 Hwy. (½ Mi.W)
District 7	Tuesday October 11	WINKLER, Manitoba Friendship Centre
District 8	Wednesday October 19	GIROUX, Manitoba Giroux Hall
District 9	Thursday October 13	GRUNTHAL, Manitoba Green Valley School Auditorium, Park Street

ELECTIONS FOR BOARD MEMBER will be conducted this year in Districts No. 3, 6, and 9. Official nomination papers are available on request from the Secretary or may be obtained at the time of the meeting in the districts in which an election is to be held.

The subjects intended to be discussed at these meetings are as follows:-

1. Introduction
2. Minutes of previous meeting
3. Quota System
4. Quota Transfer assessment
5. Provincial co-operative
6. Dairy Promotion Levy
7. Annual Meeting Attendance
8. Other Business

In the event it is inconvenient for you to attend the Annual District Meeting scheduled for your area, you are welcome to attend any other Annual District Meeting.

Dated at Winnipeg in Manitoba this 21st day of September, 1983.

THE MANITOBA MILK PRODUCERS' MARKETING BOARD
104 - 1580 DUBLIN AVENUE
WINNIPEG, MANITOBA R3E 0L4

APPENDIX "A"

Pursuant to Section 1 of this Administration By-Law the following nine districts are established composed of the Municipalities hereinafter set out opposite the number of each district

District #1

Alonsa
Archie
Birtle
Blanshard
Boulton
Clanwilliam
Consol
Dauphin
Ellice
Ethelbert
Gilbert Plains
Glenella
Grandview
Hamiota
Harrison
Hillsburg
Lawrence
McCreary
Miniota
Minitonas
Minto
Mossey River
Mountain #1
Mountain #2
Ochre River
Odanah
Park 1
Park 2
Rosedale
Rossburn
Russell
Ste. Rose
Saskatchewan
Shellmouth
Shell River
Shoal Lake
Silver Creek
Strathclair
Swan River
The Pas District

District #2

Albert
Arthur
Brenda
Cameron
Cornwallis
Daly
Edward
Elton
Glenwood
Morton
North Cypress
Oakland
Pipestone
Riverside
Sifton
Wallace
Whitehead
Whitewater
Winchester
Woodworth

District #3

Cartier
Grey
Lakeview
Langford
Lansdowne
North Norfolk
Ptge. la Prairie
Westbourne

District #4

Argyle
Dufferin
Lorne
Louise
Pembina
Roblin
South Cypress
South Norfolk
Strathcona
Thompson
Turtle Mountain
Victoria

District #5

Armstrong
Bifrost
Coldwell
Eriksdale
Fisher
Gimli
Grahamdale #1
Grahamdale #2
Rockwood
St. Laurent
Siglunes
Woodlands

District #6

Alexander
Brokenhead
Lac Du Bonnet
McDonald
Pinawa
Reynolds
Richot
Rosser
St. Andrews
St. Clements
St. Francois Xavier
Springfield
Victoria Beach
Whitemouth
Winnipeg Area

District #7

Franklin
Montcalm
Morris
Rhineland
Roland
Stanley

District #8

La Broquerie
Piney
Ste. Anne
Stuartburn
Tache

District #9

De Salaberry
Hanover

MILK PRICING

During February, 1983, Agriculture Minister Bill Uruski announced the appointment of six new members to replace the existing members of The Milk Prices Review Commission. The Commission is now chaired by Professor Jesse Voorst, who was a member of the former Milk Control Board. We are pleased to report that the new appointments included two milk producers in the persons of Marie-Blanche Olivero (Mrs. Raymond Gobin), St. Claude, Manitoba and Mr. Oli Narfason, Gimli, Manitoba.

While notice has recently been received of an increase of $1.95 HL to the level of $50.09 HL for Class I milk in Saskatchewan, the Manitoba Class I milk price remains at $46.33009 HL. To the best of our knowledge the Manitoba price formula has not indicated an increase in Class I price since October, 1981. During discussions held with the Commission and with its Chairman, the Board has been advised that the Class I milk price formula is currently under the process of being placed on computer and that alternate sources for determination of certain of the input costs are being researched. Further to the matter of production costs, the Board is actively considering means by which an on-going cost survey may be implemented.

While the butterfat differential formula currently indicates a value of 57.95 cents (58 cents rounded) for each one-tenth of a kilogram above or below the content of 3.6 kilograms of butterfat per 100 litres of milk, the Commission has taken no action during the current year to revise the differential value of 43 cents established effective July 1, 1980.

ASSESSMENTS AND LEVIES

The deductions made for marketing costs are currently as follows:

1. Transportation - variable rate according to volume and distance.
2. Milk Pool Administration - 4.8¢ per HL.
3. Board Operation - 13.4¢ per HL (Manitoba Regulation 257/80).
4. Northern Equalization Levy - 2.74¢ per HL (Manitoba Regulation 85/82).
5. Dairy Promotion - 42¢ per HL (Manitoba Regulation 12/83).
6. Market Share Quota Administration - 2.5¢ per kg Butterfat on farm separated cream deliveries. 9¢ per HL on industrial milk utilization. (Manitoba Regulation 186/79)
7. Canadian Dairy Commission levies to dispose of surplus product:
   - Within quota levy - $5.14 per HL on industrial milk deliveries
   - Hold back from subsidy - 30.15¢ per HL on Class I volume. (Fluid skim-off levy)
   - Over quota levy - $31.79 per HL on all production over quota year-to-date.

MILK PRICING

	PRODUCTION IN/T.A.P. Per Hectolitre (HL)	*PRODUCTION IN/T.A.P. Per Hectolitre (HL)
June 1976	$23.04	$24.77
October 1976	24.11	25.45
June 1977	24.13	25.77
October 1977	25.13	26.40
June 1978	25.52	27.30
September 1978	26.22	27.72
June 1979	27.18	29.00
September 1979	27.99	29.52
June 1980	30.47	32.20
September 1980	31.54	33.24
June 1981	34.05	35.96
September 1981	37.23	38.68
June 1982	38.39	39.99
September 1982	39.64	40.55
June 1983	39.87	40.50
September 1983	40.89	41.21

*Comparative revenues after the addition of Federal subsidy and the deduction of Federal within-M.S.Q. levy and fluid skim-off levy.

MILK PRICING

PRICES PAID BY PROCESSORS FOR EACH CLASS OF UTILIZATION

	June 1978 HL	October 1978 HL	June 1979 HL	October 1979 HL
Class I	$31.22	$31.22	$32.22	$32.22
Class II	24.99	24.99	26.69	27.62
Class IIA	24.18	24.18	25.98	26.91
Class IIB	23.84	23.84	25.84	26.77
Class III	21.29	21.29	23.73	24.65
Class IV	21.97	21.97	24.41	25.33
Class V	21.88	21.88	23.83	24.69
Class VI	21.29	21.29	23.73	24.65

	June 1980 HL	October 1980 HL	June 1981 HL	October 1981 HL
Class I	$36.08	$36.08	$41.08	$45.96
Class II	29.92	31.64	34.05	35.53
Class IIA	29.21	30.93	33.34	34.82
Class IIB	28.99	30.71	33.12	34.60
Class III	26.91	28.19	30.15	31.58
Class IV	27.59	28.87	30.83	32.26
Class V	26.98	28.28	30.28	31.73
Class VI	26.91	28.19	30.15	31.58

	June 1982 HL	October 1982 HL	June 1983 HL	October 1983 HL
Class I	*$46.03	**$46.33	$46.33009	$46.33009
Class II	37.05	38.48	39.36	40.50
Class IIA	36.34	37.77	38.65	39.79
Class IIB	36.12	37.55	38.43	39.57
Class III	32.35	33.76	35.15	36.28
Class IV	33.03	34.44	35.83	36.96
Class V	33.25	34.69	35.33	36.47
Class VI	32.35	33.76	35.15	36.28

*$46.02859 - June 1982
**$46.33009 - Oct. 1982

MILK PRICING

Federal Dairy Product Support Prices

	Skim Milk Powder kg	Butter kg	Cheddar Cheese kg
January 1, 1979	$1.72	$2.91	$1.32
April 1, 1979	1.79	3.02	1.32
August 1, 1979	1.84	3.13	1.32
January 1, 1980	1.97	3.26	1.32
April 1, 1980	2.01	3.34	1.32
August 1, 1980	2.13	3.51	1.32
January 1, 1981	2.20	3.63	1.32
April 1, 1981	2.28	3.78	1.32
August 1, 1981	2.37	3.95	1.32
January 1, 1982	2.46	4.13	1.32
April 1, 1982	2.50	4.17	1.32
August 1, 1982	2.59	4.33	1.32
January 1, 1983	2.61	4.38	1.32
April 1, 1983	2.65	4.42	1.32
August 1, 1983	2.72	4.55	1.32

Federal Subsidies Payable on Industrial Milk Deliveries within M.S.Q.

	Milk HL	Butterfat kg
April 1, 1974	$5.22	$1.449
June 1, 1974	5.81	1.612
April 1, 1975	6.03	1.676
April 1, 1976	6.03	1.676
April 1, 1977	6.03	1.676
April 1, 1978	6.03	1.676
August 1, 1979	6.03	1.676
August 1, 1980	6.03	1.676
August 1, 1981	6.03	1.675
August 1, 1982	6.03	1.675
August 1, 1983	6.03	1.675

Manitoba Regulation 205/83

Being

ORDER 12/83 OF THE MANITOBA MILK PRODUCERS' MARKETING BOARD

Made Under The Manitoba Milk Producers' Marketing Plan, Being Manitoba Regulation 242/74 of The Natural Products Marketing Act

(Filed September 30, 1983)

ORDER

1. The Manitoba Milk Producers' Marketing Board hereby repeals Order 11/83 of The Manitoba Milk Producers' Marketing Board, being Manitoba Regulation 187/83 amending Section 3 of Manitoba Regulation 46/78 and substitutes the following therefor:

"3. The Manitoba Milk Producers' Marketing Board hereby fixes the prices hereinafter set out as the prices at which the following classes of milk supplied to a distributor, processor or manufacturer as the case may be, shall be sold by The Manitoba Milk Producers' Marketing Board and purchased by the distributor, processor or manufacturer for each 100 litres of milk basis 3.6 kilograms of butterfat; f.o.b., the distributor's, processor's or manufacturer's plant:

Class	Price
II	$40.50 per hectolitre (HL)
IIA	$39.79 per hectolitre (HL)
IIB	$39.57 per hectolitre (HL)
III	$36.28 per hectolitre (HL)
IV	$36.96 per hectolitre (HL)
V	$36.47 per hectolitre (HL)
VI	$36.28 per hectolitre (HL)"

2. This Order shall come into force on the 1st day of October, 1983.

THE MANITOBA MILK PRODUCERS' MARKETING BOARD
Per:

"Arthur V. Rampton"
A.V. Rampton, Chairman

(S E A L)

"Robert G. DeMeyer"
R.G. DeMeyer, Vice-Chairman

Printed by the Queen's Printer for the Province of Manitoba

Manitoba Regulation 150/83

Being Regulation 1/83 of The Manitoba Milk Producers' Marketing Board
Made Under The Manitoba Milk Producers' Marketing Plan
Being Manitoba Regulation 242/74 and
The Natural Products Marketing Act

(Filed July 11, 1983)

MILK QUALITY PENALTY LEVIES REGULATION, AMENDMENT

1. That Regulation 1/80 of the Board, being Manitoba Regulation 138/80 be amended by renumbering section 7 as subsection 7 (1), and renumbering section 8 as subsection 7 (2) and adding thereto, immediately following the renumbered subsection 7 (2) the following section as section 8:

   "8. Where in any month any milk marketed by a producer has been found, in a test conducted by the Animal Industry Branch of the Department of Agriculture (Manitoba), to have a bacteria count of 75,000 or more bacteria per millilitre, but less than 100,000 bacteria per millilitre, a levy of 10¢ per hectolitre is imposed on that producer in respect of all milk marketed by him in that month."

2. This regulation shall come into force on the 1st day of August, 1983 or on the date when it is filed with the Registrar of Regulations, whichever shall be later.

IN WITNESS WHEREOF the seal of The Manitoba Milk Producers' Marketing Board is hereon impressed, duly attested by the hands of its proper officers in that behalf on the 20th day of June, 1983.

THE MANITOBA MILK PRODUCERS' MARKETING BOARD
Per:

"Arthur V. Rampton"
Chairman

(S E A L)

"Russell W. Scott"
Secretary

Approved by The Manitoba Natural Products Marketing Council this 6th day of July, 1983.

THE MANITOBA NATURAL PRODUCTS MARKETING COUNCIL
Per:

"A.W. Wood"
Chairman

(S E A L)

"Robert Kapilik"
Secretary

Printed by the Queen's Printer for the Province of Manitoba

Manitoba Regulation 12/83

Being Regulation 3/82 of The Manitoba Milk Producers' Marketing Board Made Under The Manitoba Milk Producers' Marketing Plan Being Manitoba Regulation 242/74 (Herein Called the "Plan") and The Natural Products Marketing Act

(Filed January 7, 1983)

DAIRY PROMOTION FEES

1. Manitoba Regulation 132/82 amending Section 1 of Manitoba Regulation 90/75 is hereby repealed and the following section substituted therefor:

   1. (1) A fee is imposed on each producer of 42 cents for each hectolitre of milk produced by him.

2. Subsection (1) Section 1 of this regulation shall come into force on the first day of June 1983 or on the day it is filed with the Registrar of Regulations, whichever is the later.

IN WITNESS WHEREOF the seal of The Manitoba Milk Procucers' Marketing Board is hereon impressed, duly attested by the hands of its proper officers in that behalf on the 13th day of October, 1982.

THE MANITOBA MILK PRODUCERS' MARKETING BOARD
Per:

"Arthur V. Rampton"
Chairman

(S E A L)

"Russell W. Scott"
Secretary

Approved by The Manitoba Natural Products Marketing Council this 29th day of November, 1982.

THE MANITOBA NATURAL PRODUCTS MARKETING COUNCIL
Per:

"A.W. Wood"
Chairman

(S E A L)

"Robert Kapilik"
Secretary

Printed by the Queen's Printer for the Province of Manitoba

MANITOBA MILK POOL RESULTS

AUGUST 1982 TO JULY 1983

PRODUCTION WITHIN D.E./T.A.P.	-	236,367,085 L
PRODUCTION OVER/D.E.	-	7,544,320 L
PRODUCTION OVER/T.A.P.	-	14,171,770 L
INSTITUTIONAL SHIPMENTS	-	92,817 L
TOTAL MANITOBA PRODUCTION	-	258,175,992 L
O.M.M.B. SHIPMENTS	-	682,128 L
TOTAL POOL	-	258,858,120 L

	Litres Each Class	Revenue Each Class	Net Value Per Hectolitre
Class I	102,337,845	$ 47,413,215.67	$46.33
Class II	6,889,166	2,668,325.78	38.73
Class IIA	10,924,304	4,159,173.73	38.07
Class IIB	6,446,607	2,442,266.89	37.88
Class III	55,011,030	18,868,328.73	34.30
Class IV	4,154,099	1,451,153.76	34.93
Class V	50,547,598	17,671,107.21	34.96
Unsaleable	56,436	19,736.62	34.97
PRODUCTION WITHIN D.E./T.A.P.	236,367,085	$ 94,693,308.39	$40.06
Less Diversion Costs		104,032.05	0.04
Less Pool Administration		113,456.19	0.05
PRICE/HL IN D.E./T.A.P.		$ 94,475,820.15	$39.97
INSTITUTIONAL SHIPMENTS (Cl.III)	92,817	$ 31,865.33	$34.34
Less Diversion Costs		33.97	0.04
Less Pool Administration		44.55	0.05
PRICE/HL INSTITUTIONAL		$ 31,786.81	$34.25
PRODUCTION OVER/D.E. (Cl.III)	7,544,320	$ 2,587,238.46	$34.30
Less Diversion Costs		2,495.93	0.04
Less Pool Administration		3,621.27	0.05
PRICE/HL OVER/D.E.		$ 2,581,121.26	$34.21
PRODUCTION OVER/T.A.P.-(Cl.III)	12,146,575	$ 4,186,176.59	$34.46
- Cl.V-Sask.	1,893,342	618,385.76	32.66
- Quebec	131,853	24,637.02	18.69
	14,171,770	$ 4,829,199.37	$34.08
Less Diversion Costs		5,452.98	0.04
Less Pool Administration		6,802.46	0.05
PRICE/HL OVER T.A.P.		$ 4,816,943.93	$33.99
O.M.M.B. SHIPMENTS (Cl.III)	682,128	$ 236,562.05	$34.68
TOTAL POOL	258,858,120	$102,142,234.20	$39.46
TOTAL POOL 1981-1982	259,630,416	$97,472,858.69	$37.54

FLUID AND INDUSTRIAL UTILIZATION SUMMARY

Manitoba Production within T.A.P.		244,004,222 L	100.0000%
Less: Litres Ineligible for Subsidy:			
Used for Cl.I(Fluid)(41.9410%)	102,337,845 L		
Plus 5.0% for Creams	5,116,893 L	107,454,738 L	44.0381%
Balance used for Manufactured Products (Eligible for Subsidy)		136,549,484 L	55.9619%
Manitoba Production over T.A.P.		14,171,770 L	

Average Butterfat content 3.63713 kg/HL in Manitoba Production.

* *

MILK QUALITY

When evaluating the effect of the Milk Quality Levies Program to July 31, 1983, it does not show improvement when compared to the previous year.

	Number of Producers		
Frequency of Infractions	1980-81	1981-82	1982-83
1	272	232	233
2	79	66	64
3	31	18	23
4	10	7	7
5	6	2	5
6	3	-	-
7	2	-	1
	403	325	333

While there were fewer producers in production during the year, the total number of infractions increased. Most of the increase occurred among those shippers with more than one infraction. However, a large majority of the producers had no infraction over the twelve months, proof that good quality can be achieved and maintained throughout the year.

COMPARISON OF CLASS I SALES
FOR 12 MONTH PERIOD - OCTOBER 1, 1982 - SEPTEMBER 30, 1983
(IN MILLIONS)

	Total Current Period HL	Total Previous Period HL	Percentage Change
1982			
October	8.68	9.13	- 4.83
November	8.83	8.55	+ 3.31
December	8.99	9.03	- 0.39
1983			
January	8.48	8.56	- 0.86
February	8.06	8.10	- 0.50
March	9.42	9.03	+ 4.34
April	8.03	8.92	-10.05
May	8.53	8.36	+ 2.04
June	8.58	8.47	+ 1.26
July	7.79	8.40	- 7.25
August	8.55	8.18	+ 4.52
September	9.08	8.76	+ 3.65
	103.03	103.49	- 0.44

COMPUTER OPERATIONS

In late 1982, an independent review of the Board's data processing operation was undertaken to examine existing and future requirements. The study confirmed the management and computer staff view of the limitations of the existing NCR 8200 system. Alternative approaches for replacement were examined, and submissions were obtained from other major hardware suppliers, before the NCR 9020-4 was selected. Amongst other features of this equipment, it makes available extra terminal screen devices for use by the Board staff. In this approach, statistical data for individual producers is shown on the screen for prompt and efficient replies to queries, rather than looking through lengthy printed reports. The capacity of the NCR 9020-4 enables further use of this approach in the future. Other software incorporated in the 9020-4 will enable word-processing to be available in the Board's offices.

PROCESSING PLANT AUDIT PROGRAM

Manitoba Regulation 246/74 being Order 1/74 of The Manitoba Milk Producers' Marketing Board Section 9, specifies that:-

> "Notwithstanding the generality of section 8 hereof, every processor and manufacturer shall, in respect of each month;
>
> (a) make and sign a milk utilization report in a form provided by this Board in respect of each plant of the manufacturer or processor correctly indicating:
>
> (i) the receipt and utilization of all milk received by the plant, and the sales of all milk and dairy products by the plant; and
>
> (ii) such other information as this Board may require.
>
> . . . . . ."

The completed monthly utilization reports submitted to the Board by every processor or manufacturer determine the different milk classifications which establish the payment value to milk producers through the milk pooling system. The introduction of computerized accounting in the dairy industry generates a high degree of accuracy in reporting, both internal and external. The audit program verifies the accuracy of such reports by application of various accounting exercises and any discrepancy is discussed with the processor or manufacturer with any audit adjustment effected accordingly. The Board's plant audit program assures milk producers of correct returns for their production.

The procedures, standards and tests used by the audit department are duly examined by the Board's auditors and have been found to be in accordance with generally accepted accounting techniques. Again, the co-operation and trust extended to the audit staff in the performance of duties is very much appreciated.

TRANSPORTATION

In the past year the pace regarding Board activities in transportation was somewhat less hectic than the previous year. The main factors responsible for the lessened pace were the re-opening of two industrial processing plants in December of 1982 and March of 1983, and the lower volume of milk produced during the traditional high volume period of May, June and July. In the past year the lower volumes of production during the normally high-volume months required less effort and expense to be accommodated in plants with available capacity. As a result of the plant re-openings, the need to divert milk was substantially reduced, as well as the costs associated with diversions.

Late last year the Board was approached by the Transportation Programs Branch of the Provincial Government to participate in a study concerning energy conservation. In conjunction with a private consulting firm, the study was designed to reduce fuel consumption through the use of an "Optimum Routing Structure". Although the project was not carried to its ultimate conclusion, the final report received by the Board did prove some worthwhile points. The recommendations presented by the consultants were rather impractical in some instances, but the theories behind them re-affirmed that route rationalization must continue in order for transportation costs to be kept at reasonable levels.

On the subject of costs, producer freight rates were increased only once during the previous year. The increase of ten cents per hectolitre which took place on January 1, 1983, represented an increase in transportation charges of approximately 5.6% to the average producer. Further increases had been scheduled to occur on April 1st and August 1st of 1983 but, since sufficient funds were being generated to cover expenses, the Board decided not to implement these increases on the scheduled dates.

On November 1st, 1982 the Board increased payments to transporters by allowing the items in the transporter rate formula which had been outstanding since April, 1982. This increased the amounts paid out to transporters by approximately 3.47% on the average. In March the transporters presented the Board with increased cost factors for formula items which would have increased transporter payments by about 14.7%. The consultant retained by the Board evaluated the submission and his recommendations indicated an increase of 9.75% was required. In keeping with the

TRANSPORTATION Cont.

policy of restraint initiated by the Federal Government, the Board granted an increase of 5% in aggregate to transporters. This increase was effective April 1st, 1983 and the Board also agreed to recognize any increases in fuel prices which may take place prior to the next scheduled formula update. The Board also decided that in future rationalizations of transporter routes there would be less emphasis placed on maintaining transporter volumes, and more importance placed on maximizing cost savings.

Costs, and the increases in them, are something we are all aware of. There is, however, a significant point which should be brought out in relation to the cost of transporting bulk milk. The table below gives the cost per hectolitre of transporting milk, the per cent increase in that cost over each previous year, and the per cent increase in the general transportation index for Manitoba as provided by Statistics Canada for the corresponding year.

Year Ending	Cost Per Hectolitre	Milk % Increase	T - Index % Increase
1975	$0.926	-	15.1%
1976	1.034	11.7%	9.1
1977	1.073	3.8	6.5
1978	1.188	10.7	6.4
1979	1.291	8.7	9.2
1980	1.453	12.5	14.1
1981	1.443	(0.7)	18.5
1982	1.662	15.2	9.8
1983	1.766	6.3	N/A

What the table above shows quite clearly is that, although the cost of transporting milk has increased, the Board has managed to keep rates from escalating as rapidly as have general transportation rates. In other words, if the cost of milk transportation had increased at the same rate as general transportation, the cost of transporting a hectolitre of milk at the end of 1982 would have been $1.856 rather than $1.662. This 19.4 cents per hectolitre would be 11.7% higher than the actual costs were at the end of 1982.

TRANSPORTATION Cont.

We would like to extend the Board's appreciation to the Manitoba bulk milk transporters for their co-operation during the past year. We hope that the good working relationship we have with them will be continued into the future.

It is the Board's intention to continue managing milk transportation in a responsible and cost-conscious manner. As always, this will require precise planning and, at times, the making of seemingly unpopular decisions. It must be remembered that providing and maintaining an essential service of high quality must be approached in a business-like manner and it is the Board's intention to continue doing so.

MILK PRODUCTION

Production increases for the first seven months of the dairy year were offset by progressively larger decreases as the year passed. As a result, a decrease over the previous year, occurred for the first time since the advent of total pooling in 1974. See "Review of Milk Markets" for further comments.

MANITOBA MILK PRODUCTION, AUGUST 1, 1982 - JULY 31, 1983
(WITH PREVIOUS YEAR'S FIGURES FOR COMPARISON)
(IN MILLIONS)

	TOTAL VOLUME	TOTAL PREVIOUS YEAR	PERCENT CHANGE
1982	HL	HL	%
August	21.87	21.50	+ 1.68
September	20.57	20.34	+ 1.12
October	20.72	19.88	+ 4.22
November	19.92	19.24	+ 3.51
December	21.23	20.78	+ 2.13
1983			
January	21.84	21.59	+ 1.15
February	20.14	20.12	+ 0.14
March	22.68	23.04	- 1.55
April	22.21	22.60	- 1.72
May	22.85	23.80	- 3.98
June	22.58	23.58	- 4.22
July	21.57	23.08	- 6.54
	258.18	259.55	- 0.53

CREAM PRODUCTION

The Market Share Quota (M.S.Q.) held by cream producers to commence the new dairy year on August 1, 1983, equals their deliveries for the previous dairy year. Farm separated cream producers resident in the Province of Manitoba will continue again this year to ship on an "open quota" (unlimited quota) basis as long as M.S.Q. reserved for cream production remains available. New cream producers, after October 31, 1983, will not be allowed to commence cream production.

The Board introduced, effective August 1, 1983, a cream conversion policy wherein a registered cream producer can, over time, convert his cream quota to a milk quota and commence milk production. The details of this policy are as follows:-

1. Applicants be Manitoba residents and their production units must be located in the Province of Manitoba.

2. Applicants must have shipped cream to a Manitoba creamery for two complete dairy years (August - July each year). In order to be eligible, the producer, in the most recent dairy year, must produce:

   - a minimum annual production of 2900 kg of butterfat.

   - a minimum monthly production of 80 kg of butterfat.

3. Applicants must have Board approval to convert their cream quota to a milk quota two months prior to conversion date (August or September each year).

4. T.A.P. will be based on most recent complete dairy year annual M.S.Q. but T.A.P. allocated to cream producers at conversion:

   - cannot exceed 300% of lowest month's production.

   - cannot exceed maximum (125% of average T.A.P. allocated to milk producers during establishment year).

5. Applicants must have production facilities inspected and approved as Grade A by Department of Agriculture, Dairy Section, telephone number 944-7692, Winnipeg.

6. Applicants converting from cream production to milk production may do so only in the months August and September each year.

7. Cream quotas cannot be transferred. Cream producers who have converted their cream quota to a milk quota (T.A.P.) cannot transfer their T.A.P. out for two years.

The Board is currently requesting that those producers who intend to take advantage of this conversion policy register their intent with the Board.

CREAM PRODUCTION Cont.

Last dairy year, 2674 registered milk and cream producers shipped 1,216,332 kg of butterfat to a total of 18 Manitoba creameries. One creamery ceased production during the quota period.

On April 1, 1983, the Board discontinued the policy which allowed milk producers to ship cream. The high amount of butterfat from milk shippers utilized the cream reserve to the extent the "open quota" policy for cream producers was endangered.

1982	Current Year kg B.F.	Previous Year kg B.F.	Percentage + or -
August	122,680	113,258	+ 8.32
September	105,746	104,187	+ 1.50
October	81,688	83,064	- 1.66
November	67,654	60,258	+ 12.27
December	65,857	63,856	+ 3.13
1983			
January	66,899	58,868	+ 13.64
February	76,674	66,442	+ 15.40
March	110,331	91,041	+ 21.19
April	107,081	102,950	+ 4.01
May	128,447	118,502	+ 8.39
June	148,967	145,810	+ 2.17
July	134,308	138,297	- 2.88
	1,216,332	1,146,533	+ 6.09

MARKET SHARE QUOTA - MANITOBA

Initially, the allotment of M.S.Q. to Manitoba for the 1982-83 dairy year commencing August 1, 1982 was 6,487,000 kilograms (kg) of butterfat (B.F.) with a commitment (agreed to by all provinces) to pay over-quota levy on any production over 98% of the provincial quota. This allotment was a decrease from 6,656,000 kg allocated for the 1981-82 dairy year, when the 98% agreement also applied.

A further reduction was implemented on January 1, 1983 when Manitoba's share was reduced to 6,362,000 kg, a decrease of 1.9%. At that time, the Board opted into the remaining 2/3 of special export quota. This increased the Manitoba allotment by 206,000 kg for a total of 6,568,000 kg of M.S.Q.

The Manitoba allotment for 1982-83 was comprised of: Domestic requirements including 1/3 special export - 6,117,000 kg; 2/3 special export program - 206,000 kg; 4% sleeve - 245,000 kg; Total - 6,568,000 kg. At 98%, this allowed production of 6,437,000 kg of butterfat before over-quota levy applied.

Manitoba's production of industrial milk and cream for the dairy year ending July 31, 1983 was 6,691,894 kg B.F. or 103.96% of the allowable level of 6,437,000 kg. This meant $1,409,357.10 in over-quota levy, deducted from producers during the dairy year, was paid to the Canadian Dairy Commission.

For the 1982-83 dairy year producers received subsidy up to 100% of their production within quota.

Manitoba's share of M.S.Q. for the 1983-84 dairy year commencing August 1, 1983 is 6,693,000 kg of butterfat which is arrived at as follows: Canadian requirements including 1/3 special export - 6,360,000 kg; 2% sleeve - 127,000 kg*; 2/3 special export - 206,000 kg.

For the new quota period commencing August 1, 1983, estimates were made as follows:

Total M.S.Q. - Manitoba	6,693,000 kg B.F.
*Less 2% of total (approx. amount of sleeve)	134,000
Total M.S.Q. - Manitoba (useable)	6,559,000 kg B.F.
Reserved for cream production	1,224,000
Remaining for industrial milk production	5,335,000 kg B.F.

MARKET SHARE QUOTA - MANITOBA Cont.

5,335,000 kg of butterfat with an estimated B.F. test of 3.64 kg per HL of milk, will allow Manitoba to produce 146,565,934 litres of industrial milk; add estimated fluid sales of 107,659,413 (same as Class I sales last year plus the fluid exclusion factor of 5.2%) for a total allowable production in Manitoba of 254,225,347 litres of milk. This is an increase of 3,063,960 litres of milk over the actual production within T.A.P. during the last dairy year.

* There is a 2% sleeve on National M.S.Q.; however, in that it is not financed, and levy costs would be $28.54 per HL if produced, Manitoba has chosen to ignore this sleeve in its estimates.

BREAKDOWN OF SALES AND MANUFACTURE OF DAIRY PRODUCTS WITHIN FLUID PLANTS DURING THE PERIOD AUGUST 1981 TO JULY 1983

SALES	1981 - 1982		1982 - 1983	
Class I	Litres in 000's	%	Litres in 000's	%
- Homogenized & Special	36,420	35.32	34,663	33.97
- Partly Skimmed	57,445	55.71	58,003	56.85
- Skim	5,300	5.14	5,605	5.49
- Buttermilk	906	0.87	921	0.90
- Chocolate (90%)	3,049	2.96	2,835	2.79
Total Class I	103,120	100.00	102,023	100.00
Class II				
- Cereal & 18% Cream	2,279	50.51	2,464	50.73
- Whipping	681	15.10	736	15.14
- Salad/Sour	1,551	34.39	1,658	34.13
Total Class II	4,511	100.00	4,858	100.00

MANUFACTURE	1981 - 1982	1982 - 1983
Class IIA	Litres in 000's	Litres in 000's
- Cottage Cheese, including Dressing & Starter, Spread Cheese	9,105	9,323
- Yogurt	1,500	1,390
- Egg Nog	372	460
Class IIB		
- Ice Cream, Ice Milk, Milkshake & Sherbet Mixes	6,413	6,330

NATIONAL DAIRY POLICY

Agriculture Minister Eugene Whelan on July 29, 1983 announced some aspects of the Government of Canada's National Dairy Program for the 1983-84 dairy year which commences August 1, 1983. In making this announcement, he noted that he expects that the remaining elements of the program will be announced later in the fall. Highlights of the 1983-84 dairy policy are as follows:

- Effective August 1, 1983, the Target Returns level for industrial milk and cream production is $42.80 per hectolitre, an increase of 2.7 percent over the previous price of $41.66 per hectolitre for shipments for Canadian requirements. The Canadian Dairy Commission has been authorized to increase federal support prices for butter to $4.55 per kilogram, an increase of $0.13 per kilogram, and skim milk powder to $2.72 per kilogram, an increase of $0.07 per kilogram, also effective August 1, 1983.

The Target Returns level is calculated according to a formula established in 1975 which measures changes in farmers' cash costs and other factors. The Target Returns level is used as a guide by provincial milk marketing agencies when setting prices for industrial milk and cream in their province.

This announcement has no direct impact on the price of fluid milk and table cream as the pricing of these products is a provincial responsibility.

- The rate of federal subsidy will continue to be $6.03 per hectolitre ($1.675 per kg) on Canadian Requirements.

- The Minister announced that, pending a review of the 1983-84 dairy program by the federal government, and as agreed by the Canadian Milk Supply Management Committee (C.M.S.M.C.):

(a) total Market Share Quota (M.S.Q.) will be 47.6 million hectolitres for 1983-84, made up of domestic requirements of 44.5 million hectolitres, 2.2 million hectolitres of quota for the special export program and a reduced sleeve of 2 percent or 0.9 million hectolitres;

(b) the levy rates to cover export costs to be collected from producers by provinces and remitted to the Canadian Dairy Commission are as follows:

- the in-quota levy will be $5.14 per hectolitre, unchanged from the rate established January 1, 1983;

- the contribution from the fluid milk sector remains at $0.3015 per hectolitre on all Class I sales;
- the over-quota levy rate payable to the Commission is $31.79 per hectolitre, up from $27.95 per hectolitre, for milk shipments above M.S.Q. and $4.14 per kilogram for butterfat for cream shipments above M.S.Q. This reflects the higher disposal costs of surplus products on the world market where prices are currently very low. Farmers are responsible for the costs of financing and storing products produced from over quota milk and cream production.

"Because the C.M.S.M.C. decisions were taken only recently, the government has not yet had the opportunity to review these decisions or their funding implications," Mr. Whelan said. "I expect to make a further announcement in the fall when this has been done."[1]

The Minister congratulated dairy farmers and milk marketing agencies for their success in implementing corrective measures taken in January to bring milk production in line with market requirements. As a result, while cumulative milk production to the end of January 1983 was up 7 percent over that of the previous year, by the end of July production will be down to last year's level.

In recent months, consumption of dairy products has shown an encouraging upward trend. The Minister attributed this to the improving overall economic situation in the country to which he gives a great deal of credit to the national 6 and 5 restraint program. However, Mr. Whelan cautioned producers and their representatives to monitor closely the resurgence in demand for dairy products. If demand does not meet projected targets, corrective action will have to be taken in January 1984 to reduce production and to reduce the marketing operation costs of the C.D.C. paid by the federal government through levy increases if necessary.

The industrial sector of the milk industry in Canada under federal jurisdiction is in its second year of the government's 6 and 5 wage and price restraint program. Due to the application of the 5 percent restraint on support price increases for butter and skim milk powder, effective April 1, 1983 to March 31, 1984, increases in the Target Returns level for milk will increase no more than 4.3 percent over the year. This is because the subsidy portion of the Target Returns is not indexed.

"The dairy industry in Canada has had to face two major challenges in recent years. The first has been reduced demand for its products in Canada. The second has been a dramatic lowering of prices on world markets due to reduced demand and record high surpluses of over two million tonnes of dairy products produced by other nations. These challenges are being effectively met by the supply management program and other federal policy elements", Mr. Whelan said.

Continued support by producers and the various levels of government are an essential component of the program's success on behalf of producers and consumers in Canada.

[1] Press Release, July 29, 1983,
Canadian Dairy Commission

REVIEW OF MILK MARKETS

The 1982-83 dairy year ended with an annual production decrease of 1,373,626 L compared to the 1981-82 year. This was a first since the commencement of pooling of all Manitoba production in 1974. Fluid plant requirements reduced by 443,177 L but receipts by industrial plants in Manitoba were greater by 8,012,000 L. The cheese plant at Pilot Mound was re-opened in December, 1982 and the Rossburn plant re-opened in March, 1983, both having been out of production since February, 1982.

With all Manitoba plants operational, and most having processing capacity available at peak production time, any need to separate milk was eliminated. Minimal quantities were diverted out of Province, mostly an overflow from weekends in the peak summer period. The cheese plant at Souris was the only facility to reject some production from assigned producers when shipments exceeded its market requirements. This occurred mainly during peak production months. During the previous year 7,860,000 L were diverted out of Province and a further 3,175,000 L were separated.

Although the dairy year commenced with higher production compared to previous years, a substantial reduction in over-quota shipments resulted in a decrease of 0.53% for the twelve months. (Production within quota was actually higher than in previous years, indicating better overall use of T.A.P.) Over-quota levy, set at $20.21 HL at the start of the dairy year, was increased to $28.95 on December 1, 1982. The high rate, plus the fact that there would be little or no refund of the levy, had the effect of reducing production by 3.06% in the last six months of the year. Dry areas in the Province and excessive heat had a reflection on production in the latter weeks, also. The first six months had shown an increase of 2.27%.

The levelling of production during the year eliminated many of the marketing problems occasioned in the previous quota period. Shipments of milk from September - February were 9,343,000 L less than the other six months of the dairy year. In the previous dairy year, September - February volume was 15,644,000 L less than the other six months. The higher winter volume was welcomed by the industrial plants, who can handle more than the usual level of milk production available at that time of the year. With the reduction in shipments during the summer months, only on occasion were plant capacities surpassed.

Production trends in the last dairy year may have resulted both from planned changes by the producers and from a reaction to high over-quota levy. For example, the lowest month of production (November) showed an increase of 3.5% but, later on in the quota period, the peak month (June) had a decrease of 4.2%. June was still 13.4% higher than November; quite an improvement over the previous year when June was 22.5% higher. The reduction in costs for diverting milk, the greatly increased revenue to the pool for that milk compared to the price received if it is separated, etc. is proof of the advantages more level production provides to the pooling system.

Class I sales decreased 1,019,000 L compared to the previous dairy year. Cream sales (Class II) showed an improvement of 347,000 L, along with an increase in the volume used in the manufacture of Class IIA products. Volume of milk for cottage cheese and egg nog increased but yogurt volume decreased, leaving a net gain of 196,000 L.

Volume of milk used for ice cream mixes decreased by 83,000 L and so far in this calendar year Manitoba's mix volume shows a 3.3% decrease compared to an increase of 2.2% for all of Canada.

National figures published by Market Information Service - Agriculture Canada give the following results when the last two dairy years are compared:-

	Butter	Cheddar Cheese	Specialty Cheese	Skim Milk Powder
Production Change (Million kg)	- 8.9	+ 7.2	+ 1.5	- 19.0
	- 7.4%	+ 8.0%	+ 1.9%	- 12.2%
Inventory Change (Million kg)	- 2.2	+ 1.8	- 0.8	- 37.3
	- 6.2%	+ 4.8%	- 6.5%	- 61.3%
Disappearance Change (Million kg)	+ 2.6	+ 1.4	+ 3.2	- 9.0
	+ 2.4%	+ 1.5%	+ 3.3%	- 15.9%

The vital areas where changes were needed, such as excessive production, high inventories and falling consumption, have improved. As a result, Provincial allotments of Market Share Quota (M.S.Q.) have been expanded to start the 1983-84 dairy year. The above figures show the market

place has absorbed more product in the case of butter, cheddar cheese and specialty cheese. However, when all requirements for butterfat have been met, skim milk powder is left over and must be disposed of on the world market. This market continues to be extremely competitive, requiring higher and higher in-quota levy to make up the difference between world prices and the Canadian Dairy Commission's domestic support price for powder.

Over-quota production was reduced substantially in most Provinces, preventing product manufactured from that milk from disrupting the markets required for in-quota production. With the world market prospects being very soft in respect to both volume and price, levy on over-quota milk has to be very high to make up the difference between the support price and the world market. As a result this milk obtains insufficient revenue to cover the cost of producing it.

The cost of production formula maintained by the C.D.C. indicated the following changes to the "target" on returns for industrial milk:

January 1, 1983 an increase of $0.38 HL to $41.40 HL
April 1, 1983 an increase of $0.26 HL to $41.66 HL
August 1, 1983 an increase of $1.14 HL to $42.80 HL

Increased support prices on powder and butter on the above dates generated a higher price for the finished product. This, in turn, allowed the Board to charge more for milk used in the manufacture of all industrial products (Classes II-VI), thus providing a higher revenue to producers.

1983

PROVINCIAL DAIRY PROMOTION

MARILYN ADAM

ADVERTISING & MARKETING

Fluid milk promotion programs in the province, other than television, have been developed by this department with the approval of the Dairy Promotion Committee. In co-operation with the Dairy Bureau, the industrial milk campaigns are utilized, expanded and monitored for Manitoba.

Several annual promotions are planned with participating marketing boards and producer associations, co-ordinated by the Department of Agriculture, Marketing Branch. In 1983, these events included the 6-day Royal Manitoba Winter Fair, several 3-day mall promotions including Kildonan Place, Polo Park, St. Vital and Steinbach's Clearspring Village, the 9-day Red River Exhibition, and a food service event at the Westin Inn.

The television cooking segment appears every other Tuesday on the CKND-TV "Manitoba Morning" from 8:45 - 9:00 A.M. Recipes promoting dairy products are prepared in a format allowing for the discussion of our product and the many health issues related to nutrition. Now that we have Tuesday instead of Thursday as a broadcast day we have a larger potential viewing audience at CKND, and the Board receives recipe requests averaging 225 per show. Contests have been incorporated into the television programs with draws for aprons and milk pitchers during Dairy month, cheese during the festival, and butter in December. Response by mail has been fairly extensive with equal interest from city and rural viewers. For special promotions additional appearances were scheduled on CKY-TV's "Today's World". In general, the feedback from the television cooking segments is extremely gratifying.

This department was responsible for procuring guest speakers for the Dairy Convention. In 1983, Dr. Vic Amer, Vice President Scientific Research, Dairy Bureau of Canada, addressed the manufacturers regarding the health benefits of yogurt and discussed this in relation to product development and marketing. Several interviews were arranged with the media including CKY-TV, CKND-TV, the Winnipeg Free Press, the Country Guide and CJOB radio.

PROVINCIAL DAIRY PROMOTION Cont.

In August, Mrs. Adam attended a four-day seminar on television skills at the Culinary Arts School in Chicago. This continuing education program was sponsored by the Dairy Bureau of Canada.

Centrex '83 - Central Canada's Hotel and Restaurant Suppliers Show was held in October with the Dairy Bureau and the Board providing booths on Canadian Cheeses and Fluid Milk. Cheese sampling and cheese "Cash-In" materials, 2% and chocolate milk, promotional folders, and a milk survey were presented at the respective booths. This was the first occasion for our new portable display recently purchased by the Board. It provided an excellent background for the milk photograph depicting milk in food service. The results from the survey indicated an overwhelming interest in milk and especially 2%. The respondents identified the problems in food service regarding milk and their concerns about receiving milk cold. An evaluation will be forwarded to hotel and restaurant management along with other information on promotions.

The 1984 calendar developed by the Ontario Milk Marketing Board will be distributed for the third consecutive year in the Winnipeg Free Press to over 250,000 subscribers. December and January television cooking segments will promote the calendar recipes. Media food writers receive promotional packages regarding the calendar and the Free Press provides courtesy advertising of the distribution.

Radio tapes are prepared monthly through the co-operation of the Communications Branch, Manitoba Department of Agriculture. Tapes on timely consumer topics from several marketing boards are provided for the ten private rural radio stations in the province.

Additional recipe booklets were prepared by the Ontario Milk Marketing Board in 1983 which were subsequently purchased and distributed in Manitoba by our Board. Special arrangements and advertising allowed for convenient distribution of Milk's Little Cookbooks #1 and #2 through Safeway stores as well as at all the mall events and television shows.

Continuous requests for advertising, product, posters, school materials, promotional items, recipes and specific information on dairy products require considerable administration time. Key chains, pens and milk mugs are available for distribution as prizes at special events.

PROVINCIAL DAIRY PROMOTION Cont.

Gymnasium scoreboards will be provided by the Board to the fifteen Junior High Schools in Winnipeg School Division No. 1 in a five-year agreement involving our fifty percent participation. We expect that the sponsor panel with the slogan "Win with Milk" will be selected again (presently used in the Senior High Schools). This type of program assists in improving milk consumption in the high schools, thus working in co-operation with the School Milk Program and nutrition workshops.

The McKim advertising program designed around the Oregon creative "Good Stuff - Beautiful Milk" was selected for radio, billboards and newspaper advertising in 1983. The billboards and newspaper advertising went ahead but the radio creative was approved only in part by CRTC. The campaign rested on the strong musical theme of "Good Stuff" in the radio commercial; consequently, the billboards and newspaper advertisement had less impact. The creative is good, especially for radio.

With the Dairy Bureau of Canada personnel and resources we are presently developing a marketing plan for 1984. Research and marketing strategies employing television, radio, billboards and newspaper will be considered. The Dairy Promotion Committee identified the strengths in both campaigns, "Irreplaceable Milk" and "Good Stuff - Beautiful Milk". At the time of this writing, the marketing plan is not completed nor has a creative campaign been chosen.

NUTRITION EDUCATION ANNUAL REPORT

AUGUST 1, 1982 - JULY 31, 1983

BY PAT McCARTHY

The milk producers in Manitoba can again this year be very proud of their nutrition education program. Our three education packages: "Good Beginnings" (nutrition information and food activities for pre-school educators); "Big Ideas in Nutrition Education" (inservice programs for teachers of grades K-6); and "Energetics" (nutrition activity and weight management program for junior and senior high school teachers) have been presented in over 80 workshops throughout Manitoba this year. These sessions were attended by approximately 1,400 teachers, with a potential to reach over 25,000 students with sound nutrition information. Because "Milk and Milk Products" is one of the four food groups in "Canada's Food Guide", our balanced nutrition program automatically incorporates and encourages the consumption of dairy products.

In addition to school teachers, the "Energetics" program was presented to the interning dieticians at the Health Sciences Center, to the food services staff and dieticians at the municipal hospitals, and to graduating nutrition major students in the Faculty of Human Ecology (formerly Home Economics). The "Big Ideas in Nutrition Education" is included in all student teacher programs in the universities of Brandon and Manitoba. Feedback from daycare workers, right to dieticians, has been extremely positive and, best of all, the material is used regularly to teach nutrition!

"Big Ideas" and "Energetics" serve as important resources in other province-wide programs. Over the past two years the Department of Education has revised the School Health Curriculum. Nutrition is one of eight areas to be taught as part of the new material. The Manitoba Milk Producers' Marketing Board, along with various government representatives, has been instrumental in the revisions, with our resources being the basis for many activities and areas of information. Every unit (K-9) begins with the recommendation that teachers take part in a "Big Ideas" or "Energetics" workshop before teaching nutrition.

NUTRITION EDUCATION Cont.

Another revision taking place this year involves standards for Manitoba daycares. In order to obtain a licence to operate, daycares must meet a prescribed set of criteria - one being specific nutrition and feeding guidelines. Our "Good Beginnings" workshop is cited as a valuable resource to meet daycare operators' needs for functional, nutrition information and teaching ideas.

A meeting with district recreation superintendents with the City of Winnipeg has led to their including "Energetics" as an inservice option for all City of Winnipeg fitness instructors. Just as teachers will disseminate nutrition information to students, we hope fitness programmers will similarly reach their adult clientel with sound information and answers to nutrition questions.

Nutrition programs were also delivered to St. Boniface School of Nursing, Seven Oaks Hospital staff inservice and to one of the City of Winnipeg's Core Area Initiative programs. Three times this year the opportunity arose to meet with nutritionists from other organizations, other provinces and other Milk Boards. The University of Manitoba sponsored an "Update" for provincial nutritionists; B.C. Dairy Foundation hosted a meeting for all Western Canadian dairy nutritionists; and the Dairy Bureau presented a program for the dairy industry nutrition-promotion home economists across Canada. Each encounter presents an opportunity to "compare notes," share experiences, and gather new ideas. We have been very pleased, relative to experiences in some provinces, with the co-operation between Manitoba provincial government departments (Health, Education) and ourselves, and the enthusiasm with which they promote the Manitoba milk producers' nutrition education programs. Although we may not notice immediate effects of the school nutrition program, in the generations to come we should see better nutrition knowledge leading to a better educated, milk drinking population of consumers.

1983

MANITOBA SCHOOL MILK PROGRAM

CLARENCE VINCENT - DIRECTOR

The director came on-staff in mid-October, 1982. The immediate terms of reference were to organize, construct, and present a proposal for a Manitoba School Milk Program to the Board of Directors for their approval. Subsequent to approval, the next directive was to develop a budget and, upon receiving approval, to proceed with implementation of the program into the Manitoba school system.

Initially, school milk programs were researched through compilation and reading of all reports from other provinces over several years. Also, the reported experiences of American and European programs were compiled and studied. From this review, two provinces, British Columbia and New Brunswick, were selected to visit on the basis that their school milk programs had been in-place the longest and were the most intensive of all the provinces reporting.

These visits were made in January and March, 1983 and in each province every group and individual involved in school milk programs were interviewed. These were the Chairman and Milk Program Co-ordinator of the dairy agency implementing the program, Chairmen of School Boards, School Division Superintendents, Principals and Classroom Teachers of schools on the program, and Presidents and local executives of Parent Teachers Federation.

A complete set of questions was drawn up for each group and individual interviewed and, in order to make certain that each group could be visited, appointments were made with many groups in the province well before the week of the visit. The visits were very successful and appreciation is extended to the B.C. Milk Foundation and the New Brunswick Marketing Board for their generosity and courtesy in providing their staff time in assisting us to get the best mileage from our visit.

The knowledge thus gained was used in constructing a School Milk Program for presentation to The Manitoba Milk Producers' Marketing Board Directors on April 14, 1983. The proposal was approved on that date and immediate steps were taken to begin implementation.

MANITOBA SCHOOL MILK PROGRAM Cont.

The importance of promotion on an in-school basis and the need to recruit a suitable person was an integral part of the approved proposal. Ms. Jane Loscerbo was selected and began employment with the Board on June 16, 1983. Immediately a planned strategy was begun for promotion in elementary, junior and senior high schools. These break down into two programs referred to as "K-6" and "7-12". Once the promotion programs had been finalized a budget was developed for each program and presented to the Board of Directors for approval. This was received mid-July.

From this point on an implementation program was instituted which for reasons of clarity will be numerically itemized:-

1. All Provincial Associations involved in the school system were contacted and in most cases meetings were arranged with executive officers of the Associations to outline our program proposals and to seek their interest and support, by formal acknowledgment. The groups contacted were: the Ministers of Education and Health, Manitoba Association of School Trustees, Manitoba Teachers Society, Manitoba Association of School Superintendents, Manitoba Association of School Principals, Manitoba Federation of Home and School Associations.
2. During July and August, meetings were conducted with 22 school division superintendents.
3. Publicity was started in September aimed at the schools themselves through "Education Manitoba" a monthly periodical from the Department of Education;also, of course, through the School Division Superintendents and the Manitoba Teachers Society.
4. Beginning the second week in September our top priority was given to responding to enquiries from individual schools.

Progress to this writing (mid-October) involves 59 schools, 31 on the 7-12 program and 28 on the K-6 program, involving 21 different school divisions. All of this has occurred in five weeks of implementation activity.

While the 7-12 program will slow down in terms of schools coming into the program, by its very nature the K-6 program will be sold each month through the remainder of the 1983-84 school year. Results to date are very encouraging and methods of measuring effectiveness of each program are already programmed into our computer. Certainly this is a most important task and the information obtained will be used extensively in planning next year's strategy and program content.

MAY & EILER
CHARTERED ACCOUNTANTS
50 GLEN AVENUE
WINNIPEG, MANITOBA
R2M 1V5

W. C. MAY, C.A.
L. K. EILER, B.A., C.A.

AUDITORS' REPORT

To the Registered Producers of The Manitoba Milk Producers' Marketing Board:

We have examined the statement of financial position of The Manitoba Milk Producers' Marketing Board as at July 31, 1983 and statement of milk pool income and distribution and statements of income and retained income of administrative, transportation, promotional and northern allowance funds and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Board as at July 31, 1983 and the results of its operations and the changes in its financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

May + Eiler

Chartered Accountants

Winnipeg, Manitoba
September 30, 1983

EXHIBIT A

THE MANITOBA MILK PRODUCERS' MARKETING BOARD

STATEMENT OF FINANCIAL POSITION

AS AT JULY 31, 1983

	1983	1982
CURRENT ASSETS:		
Cash	$ 4,284,023	$ 4,098,415
Accounts receivable	8,627,242	8,696,481
Prepaid expenses	48,198	37,339
Total current assets	12,959,463	12,832,235
CURRENT LIABILITIES:		
Accounts payable - producers	10,733,873	10,618,262
Accounts payable - other	202,256	156,549
Total current liabilities	10,936,129	10,774,811
WORKING CAPITAL	2,023,334	2,057,424
OFFICE EQUIPMENT AND IMPROVEMENTS -		
at cost	197,864	179,188
Less accumulated depreciation	148,589	141,496
Net office equipment and improvements	49,275	37,692
DEFERRED CHARGES - at cost less amortization	-	1,966
REGISTERED PRODUCERS' EQUITY AND CAPITAL EMPLOYED	$ 2,072,609	$ 2,097,082
Represented by Funds:		
Retained income (Deficit)		
Milk Pool Administration (Exhibit C)	$ 2,073,020	$ 2,084,002
Board General (Exhibit C)	(117,098)	(62,381)
Market Sharing Plan (Exhibit C)	3,687	39,667
Transportation (Exhibit D)	104,048	34,929
Promotional (Exhibit E)	-	-
Northern Allowance (Exhibit F)	8,952	865
	$ 2,072,609	$ 2,097,082

Approved by the Members

EXHIBIT B

THE MANITOBA MILK PRODUCERS' MARKETING BOARD

STATEMENT OF MILK POOL INCOME AND DISTRIBUTION

FOR THE YEAR ENDED JULY 31, 1983

	1983	1982
INCOME:		
Milk sold to processors	$102,959,219	$97,740,606
Total income	$102,959,219	$97,740,606
DISTRIBUTION:		
Payments to producers:		
Net payments to producers	$ 87,256,035	$86,934,856
Deductions for Board controlled funds -		
Pool Administration (Ex. C)	124,043	124,584
Board General (Ex. C)	345,838	347,796
Market Sharing Plan (Ex. C)	135,650	136,008
Promotional (Ex. E)	934,528	683,763
Transportation (Ex. D)	4,877,771	4,499,935
Northern Allowance (Ex. F)	70,740	22,401
Deductions determined by others:		
Canadian Dairy Commission	8,719,410	4,842,283
Manitoba Milk Producers Co-op Inc	49,902	57,614
Other deductions:		
Quality penalty levy (Ex. C)	66,085	65,109
Cheese freight assistance program	138,272	-
Total distribution to producers	102,718,274	97,714,349
Payments to other marketing boards:		
Ontario Milk Marketing Board	239,704	26,110
Deductions for Board controlled funds:		
Pool Administration (Ex. C)	209	39
Board General (Ex. C)	1,032	108
Total distribution to others	240,945	26,257
Total distribution	$102,959,219	$97,740,606

EXHIBIT C

THE MANITOBA MILK PRODUCERS' MARKETING BOARD

STATEMENT OF ADMINISTRATIVE FUNDS INCOME AND RETAINED INCOME

FOR THE YEAR ENDED JULY 31, 1983

	Milk Pool Administration	Board General	Market Sharing Plan	Total 1983	Total 1982
INCOME:					
Deductions -					
Milk producers (Ex. B).....	$ 124,043	$345,838	$135,650	$ 605,531	$ 608,388
Other boards (Ex. B).....	209	1,032	-	1,241	147
Cream producers	-	-	30,410	30,410	28,666
Quality penalties	66,085	-	-	66,085	65,109
Other income -					
Interest.....	564,740	-	-	564,740	788,722
Other.....	200	255	-	455	375
	755,277	347,125	166,060	1,268,462	1,491,407
EXPENSE:					
Data processing..	14,837	-	9,918	24,755	24,940
Depreciation.....	7,830	1,871	3,244	12,945	18,680
General operating (Note 2).....	33,504	36,941	18,202	88,647	82,414
Members' per diem and travel.....	-	152,687	18,200	170,887	155,784
Memberships.....	-	18,804	-	18,804	16,830
Office occupancy.	35,317	11,452	19,445	66,214	45,689
Professional fees	7,500	86,758	5,000	99,258	78,262
Grants.....	-	17,550	-	17,550	5,800
Salaries and benefits.....	237,467	75,779	128,031	441,277	393,155
	336,455	401,842	202,040	940,337	821,554
NET INCOME (LOSS) FOR THE YEAR.....	418,822	(54,717)	(35,980)	328,125	669,853
APPROPRIATION TO PROMOTIONAL FUND	(429,804)	-	-	(429,804)	(335,416)
RETAINED INCOME (DEFICIT) AT BEGINNING OF THE YEAR	2,084,002	(62,381)	39,667	2,061,288	1,726,851
RETAINED INCOME (DEFICIT) AT END OF THE YEAR	$2,073,020	$(117,098)	$ 3,687	$1,959,609	$2,061,288

EXHIBIT D

THE MANITOBA MILK PRODUCERS' MARKETING BOARD

STATEMENT OF TRANSPORTATION FUND INCOME AND RETAINED INCOME

FOR THE YEAR ENDED JULY 31, 1983

	1983	1982
INCOME:		
Producer deductions (Ex. B)	$4,877,771	$4,499,935
Processor charges for diversions	86,116	114,514
Freight charges to northern plants	-	3,570
	4,963,887	4,618,019
EXPENSE:		
Transporter payments -		
Assigned plant deliveries	4,559,683	4,313,476
Diversions	239,967	308,831
Extra pick-up	3,652	9,984
Professional fees	4,073	7,408
Allowance for disputed diversion charges	87,393	113,050
Other	-	7,220
	4,894,768	4,759,969
NET INCOME (LOSS) FOR THE YEAR	69,119	(141,950)
RETAINED INCOME AT BEGINNING OF THE YEAR	34,929	176,879
RETAINED INCOME AT END OF THE YEAR	$ 104,048	$ 34,929

EXHIBIT E

STATEMENT OF PROMOTIONAL FUND INCOME AND RETAINED INCOME

FOR THE YEAR ENDED JULY 31, 1983

	1983	1982
INCOME:		
Producer deductions (Ex. B)	$ 934,528	$ 683,763
EXPENSE:		
Dairy Bureau of Canada	1,061,930	856,631
Depreciation	1,497	2,255
Members' per diem and travel	4,858	7,040
Occupancy	8,960	6,165
Office supplies	2,135	2,283
Provincial dairy promotion	159,946	52,709
Salaries and benefits	104,674	63,317
Staff travel and meetings	4,229	5,504
Workshop materials	11,077	18,829
Other	5,026	4,445
	1,364,332	1,019,178
(LOSS) FOR THE YEAR	(429,804)	(335,415)
APPROPRIATION FROM MILK POOL ADMINISTRATION	429,804	335,415
RETAINED INCOME AT BEGINNING OF THE YEAR	-	-
RETAINED INCOME AT END OF THE YEAR	-	-

EXHIBIT F

THE MANITOBA MILK PRODUCERS' MARKETING BOARD

STATEMENT OF NORTHERN ALLOWANCE FUND INCOME AND RETAINED INCOME

FOR THE YEAR ENDED JULY 31, 1983

	1983	1982
INCOME:		
Producer deductions (Ex. B).....	$70,740	$22,401
EXPENSE:		
Payments to northern producers.....	62,653	21,536
NET INCOME FOR THE YEAR.....	8,087	865
RETAINED INCOME AT BEGINNING OF THE YEAR.....	865	-
RETAINED INCOME AT END OF THE YEAR.....	$ 8,952	$ 865

EXHIBIT G

THE MANITOBA MILK PRODUCERS' MARKETING BOARD

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED JULY 31, 1983

	1983	1982
SOURCE OF FUNDS:		
From operations -		
Net income of funds -		
Milk Pool Administration	$ 418,822	$ 665,804
Board General	-	19,618
Transportation	69,119	-
Northern Allowance	8,087	865
	496,028	686,287
Amortization of deferred charges	1,967	2,145
Depreciation	12,476	18,790
Total funds from operations and total source of funds	510,471	707,222
USE OF FUNDS:		
To operations -		
(Loss) of funds -		
Board General	(54,717)	-
Market Sharing Plan	(35,980)	(15,569)
Transportation	-	(141,950)
Promotional	(429,804)	(335,415)
	(520,501)	(492,934)
Purchase of equipment	24,060	6,508
Total use of funds	544,561	499,442
(DECREASE) INCREASE IN WORKING CAPITAL FOR THE YEAR	(34,090)	207,780
WORKING CAPITAL AT BEGINNING OF THE YEAR	2,057,424	1,849,644
WORKING CAPITAL AT END OF THE YEAR	$2,023,334	$2,057,424

THE MANITOBA MILK PRODUCERS' MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS

JULY 31, 1983

1. Summary of Activities of the Board and Significant Accounting Policies:

The Manitoba Milk Producers' Marketing Board is responsible under the statutes of Manitoba for the purchase, transport and sale of all milk in the Province.

(a) Selling prices - The value of milk sold to processors is determined by its final product use. The Board sets the prices charged to processors except for Class I milk which is set by the Manitoba Milk Prices Review Commission. The Board conducts a pool into which income from milk sold is credited for distribution.

(b) Cost of sales - Processor sales in the milk pool referred to above are paid to the individual producers based on the quality and quantity of milk shipped. The distribution of the milk pool is accounted for in Exhibit B.

(c) Operating expenses - The Board is authorized through provincial statute to deduct fees from milk pool payments to producers to cover its operating expenses. Such deductions are accounted for separately in Exhibits C, D, E and F.

Office equipment and improvements are generally valued at cost. Depreciation is provided for on the straight-line basis over an estimated life of 5 years for equipment and the lease term for improvements.

2. General Operating Expense:

	Milk Pool	Board General	Market Sharing Plan	Total
Advertising.....	$ -	$ 3,818	$ -	$ 3,818
Annual meeting.....	-	9,510	-	9,510
Bank charges.....	142	-	-	142
Office supplies.....	15,261	2,492	3,829	21,582
Postage.....	8,448	11,504	2,741	22,693
Staff travel.....	2,587	3,030	7,606	13,223
Sundry.....	456	2,802	372	3,630
Telecommunications.....	6,610	3,785	3,654	14,049
	$33,504	$36,941	$18,202	$88,647
1982 for comparison	$44,183	$24,650	$13,581	$82,414

3. Commitments:

Operating lease for office space at a base rental of $56,520 per annum until March 31, 1987. Annual share of property taxes, maintenance and electrical costs are added to this rental ($21,795 in 1983). Contract to purchase computer equipment having a net cost of approximately $80,000 on which a deposit of $6275 has been made.

4. Pension Plan:

Employees of the Board participate in the Manitoba Civil Service Superannuation Board pension plan on a contributory basis. The Board deposits contributions matching those of employees with the pension plan. The financial statements of the pension plan indicate that it had no unfunded pension liability at July 31, 1983 based on the most recent actuarial report.

5. Elected Members Per Diem and Travel Expenses:

Members are paid a per diem of $117 and the Chairman $162 for time spent at meetings or on business matters of the Board.

	1983	1982
Per diems paid.....	$113,621	$103,681
Travel and other expenses.....	62,124	59,143
	$175,745	$162,824

POOR

QUALITY

ORIGINAL